

<b>W5</b>	<b>Learning Area</b>	ENTREPRENEURSHIP	<b>Grade Level</b>	11/12
	<b>Quarter</b>	1/3	<b>Date</b>	

IV. LEARNING PHASES	Suggested Timeframe	Learning Activities
<b>A. Introduction</b> <i>Panimula</i>	120 mins	<p><b>Presentation</b></p> <p>In our previous lesson we determine the possible product/s or service/s that will meet the needs. Let's proceed now to the next lesson about the screen, the proposed solution/s based on viability, profitability and customers' requirements.</p> <p>The entrepreneur needs to have the required entrepreneurial character traits, skills, and competencies before exploiting the business opportunities. Likewise, segmenting the market is required to classify and describe the customers of his/her proposed business venture.</p> <p style="text-align: center;"><b>THE ENVIRONMENT OF THE ENTREPRENEURIAL VENTURE</b></p> <p><b>A. Physical environment</b> is the primary layer of the environment. It is composed of the natural elements that are inherent in the earth.</p> <p>a. Climate The entrepreneur must study the widespread climatic conditions of the area where he/she aims to open the business to control whether it can withstand or is fit to the climatic condition in the limited area.</p> <p>b. Physical Resources The entrepreneur must critically evaluate the convenience of raw materials in the area before opening a new business.</p> <p>c. Wildlife The entrepreneur must guarantee that his/her business donates to the protection and not the demolition of the ecological system of the local community and our country in general.</p> <p><b>B. Societal environment</b> is usually composed of social, political, cultural and economic, legal, and technological forces.</p> <p>a. <i>Social Forces</i> are elements in society resulting from human relations that can affect the thoughts, behavior, attitude, actions, and even the beliefs and customs of the people. Social forces include the following, Values, Traditions, Literacy level, Consumer psychology, Time orientation, Lifestyle pattern, Professional career roles.</p> <p>b. <i>Political Forces</i> are various elements usually including political parties, political systems, and other related political groups that significantly affect the political stability of the country. Political forces include the following, Trade regulation, Taxation, Government stability, Unemployment, Workers benefits and Election practices.</p> <p>c. <i>Cultural Forces</i> refers to the combined characteristics of a group of people or ethnic groups in a specific society including the following, Religion, Language, Beliefs, Customs and Education.</p> <p>d. <i>Economic Forces</i> are factors that are mainly produced by changes or movements in the Philippine economy that have direct or indirect effects on the entrepreneurial venture includes the following, Interest rates, Inflation rates, Fiscal policies, Monetary policies, Income, Exchange rates, Employments and Consumer confidence</p> <p>e. <i>Legal Forces</i> are elements and forms that are implicated in the regulation and explanation of laws and ordinances affecting the business.</p> <p>f. <i>Technological forces</i> refer to the trends and developments in computer and information technology that have impact on business.</p>

**Environmental scanning** is the evaluation and full study of the environment where the business works.

Political Forces	Economic Forces	Sociocultural Forces	Technological Forces	Ecological Forces	Legal Forces
Instability of the Philippine Government	High interest rates given by commercial banks	Low level of education among public school graduates	Readily available internet and social media	Abundant raw materials	Frequently changed tax laws

1. PESTEL analysis is a tabular framework of the trends and developments in the different forces in the external environment. The acronym PESTEL stands for Political, Economic, Sociocultural, Ecological, and Legal Forces.

### Template of PESTEL analysis

2. Environmental Forces Matrix is a modified version model of the issue priority matrix adopted by Wheelen and Hunger. It broadly classifies the various environmental forces into their frequency of occurrence and level of effect to the existing or proposed business.

### Template of Environmental Forces Matrix

		Level of Effect on Entrepreneurial Venture		
		High	Moderate	Low
Frequency of Occurrence	High	High Environmental Force	High Environmental Force	Moderate Environmental Force
	Moderate	High Environmental Force	Moderate Environmental Force	Low Environmental Force
	Low	Moderate Environmental Force	Low Environmental Force	Low Environmental Force

**C. Industry environment** is the external environmental layer where the trends and changes are simply and directly handled by the business includes: Government,

- Government refers to the system or institution that handles the affairs of a particular country.
- Suppliers refers to individual persons or companies that provide the required materials, parts, or services to the business.
- Customers are the buyers of goods or services produced or rendered by the business.
- Competitors are the forces existing in the industry environment that produce, sell or render products or services which are similar to those of the business.
- Employees are the workers of the business who are highly responsible for the production of goods or delivery of services to the consumers.
- Creditors refer to banks, financial institutions, and financial intermediaries engaged in the lending of money to the borrower usually for a fee or charge in the form of interest.

### INDUSTRY ANALYSIS SCANNING TOOLS

In scanning the industry environment, the entrepreneur can use the following environmental scanning tools:

- SWOT model is the popular tool to evaluate the internal environment.
- Forces of competition model otherwise known as the "five forces of competition," was popularized by Michael Porter, a prominent figure in competitive strategy formulation.

		3. A Competitive Forces Matrix can be used by the entrepreneur to plot when after all the competitive forces have been identified by which the entrepreneur can view the total perspective of the competition within the industry where the business operates.
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